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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

**USA CAPITAL DIVERSIFIED TRUST
DEED FUND, LLC,**

Plaintiff,

v.

STANLEY E. FULTON,

Defendant.

CASE NO. 2:09-CV-01946-RLH-LRL

**Bankruptcy No. BK-S-06-01725-LBR
Adversary No. 08-01132-LBR**

**JOINT STATUS REPORT AND SECOND
REQUEST TO EXTEND DEADLINE
TO CLOSE CASE**

Plaintiff USA Capital Diversified Trust Deed Fund, LLC (“DTDF”) and Defendant Stanley E. Fulton (“Fulton”, collectively with DTDF the “Parties”) hereby file this Joint Status Report and Second Request to Extend Deadline to Close Case (“Status Report”) and state as follows:

1. At the hearing on June 23, 2010, the Parties advised the Court that a settlement had been reached in principal and that the Parties were continuing to negotiate the final terms of the settlement and anticipated filing a motion to approve the proposed compromise in the Bankruptcy Court for hearing in July. As a result of these representations at the June 23, 2010 hearing, the Court established a deadline of July 30, 2010, to file the necessary pleadings to close this case (the “Dismissal Deadline”).

2. On July 28, 2010, the Parties filed a Joint Status Report and Request to Extend
Deadline to Close Case, requesting that the Dismissal Deadline be extended to August 31, 2010.
The Court granted that request in an order entered on July 30, 2010.

3. The Parties have executed the settlement agreement, which (together with all of
its exhibits) is attached hereto as Exhibit "A." However, negotiations have taken longer than
originally anticipated regarding the Rule 9019 motion necessary to obtain approval of the
compromise from the Bankruptcy Court. The Rule 9019 motion has now been filed, and DTDF
has requested an expedited hearing on that motion. Accordingly, the Parties request that the
Court extend the Dismissal Deadline to September 30, 2010.

Dated: August 31, 2010

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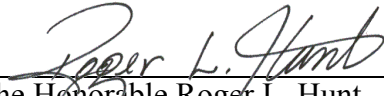
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Attorneys for Defendant Stanley E. Fulton

ORDER

It is hereby ORDERED that the Parties shall file the necessary documents to close this proceeding by no later than September 30, 2010.



The Honorable Roger L. Hunt
Chief United States District Judge

Dated: September 1, 2010